

**GAMBLING CONTROL BOARD MEETING**  
**10/12/04**  
**DPS Building, 45 Commerce Drive, Suite 3**  
**Augusta, Maine**  
**(207)-626-3900**

**Board Members Present:** Chairman George McHale, Jean Deighan, Mike Peters, Peter Danton and Larry Hall.

**Attorney General's Office:** AAG Melissa O'dea

**DPS Staff:** Commissioner Michael Cantara, Lt. Timothy Doyle, Lt. Tom Kelly, and Secretary Kathy Chamberlain

Meeting opened at 1242 p.m. by Chairman McHale.

Introductions done of Board and Staff to those present at the meeting.

**Review of 9/16/04 minutes:** motion to accept by George McHale, Larry Hall seconded. Unanimous vote to accept the minutes. They will be posted next week on the GCB website.

**Pre-Approved minutes posting:** Commissioner Cantara addressed the Board about the past tradition of posting pre-approved minutes on the website. He inquired if this practice should continue or wait until the minutes are formally accepted? He further advised that until the minutes are accepted, they are subject to change.

Jean Deighan advised that she wanted to continue putting the pre-approved minutes on the website. She felt that the public who want to keep abreast of our progress, want to read it. Board voted unanimously to continue putting pre-approved minutes on website.

**Report of Sub-Committee for hiring of Executive Director:**

Jean Deighan advised that she, Larry Hall and Mike Peters were the Board members on the sub-committee. Ms. Deighan said that it was a very thorough process. They had 34 applicants, many very worthy applicants. They interviewed almost half of the 34, and then interviewed half of that again, interviewing two for a final interview to make sure they were making the right choice. She further advised that the Sub-Committee had an

exceptional candidate to bring forth today and turned the introduction over to Commissioner Cantara.

Commissioner Cantara congratulated the Sub-Committee, who had decided on and are recommending Robert P. Welch of Bangor, Maine as the candidate for the Board to consider and upon whom to vote. Mr. Welch present at the meeting stood and was recognized.

Commissioner Cantara gave the Board and meeting attendees some of Mr. Welch's background which included graduate of FBI Academy in Quantico, Va; a 25 year veteran of Bangor Police Department; rose to the Chief level and has a solid law enforcement background. He will receive conditional employment status, pending a background check. Mr. Welch's people skills, administrative skills and strong law enforcement background gave him the edge for candidate for this job.

Mr. Welch addressed the Board briefly. It will take two weeks for the background check/process to be completed.

Commissioner Cantara inquired if the Board would have Mr. Welch start on Monday, Nov 29 2004?

Nomination for Robert Welch: Mike Peters moved that the Board hire Robert P. Welch conditionally upon his background check. Larry Hall seconded. Mr. Peters added that he had never met Mr. Welch before the interviews but the people skills, forthrightness, and ability as perceived by Mr. Peters was outstanding.

Jean Deighan advised that Mr. Welch's reputation precedes him as a very intelligent, caring person for the people of Bangor and the State of Maine.

Chairman McHale commented that the reporters will ask how much money Mr. Welch will be making as salary? The Sub-Committee has made a recommendation within salary range given to them.

Commissioner Cantara announced that the Sub-Committee is recommending that the pay grade be \$60,652.80, which is pay grade 6 for Range 32. Because this is a state position, it comes with complimentary benefits i.e. medical insurance, state retirement, health insurance, life insurance etc. Unanimous Board vote that Robert P. Welch be the new Executive Director for the Gambling Control Unit.

**Report on September 27, 2004 Public Hearing for Rulemaking Process,  
Maine APA Rulemaking.**

Lt. Doyle advised that no public comments were received verbally at the public hearing. He did receive written comments from Penn Nat'l Gaming, IGT, and after comment period closed, which was Oct. 7<sup>th</sup>, he received comments on Oct 8<sup>th</sup> at 3:18 by email from Savvy (known as CasinosNo!)

Chairman McHale reiterated that CasinosNo did not meet deadline by 24 hours? Lt. Doyle confirmed.

Lt. Doyle advised that he would direct the Board to note that we received their letter and it was not received by the deadline.

Motion was made and seconded to take no further action on these comments from CasinosNo! Keep them on file. Not be included in the responses.

Commissioner Cantara wanted as part of the record, that it was useful to reflect why it is that there are deadlines. The process began August 30<sup>th</sup>, under Maine Administrative Procedures Act as a result of Maine law,

A.A.G. Melissa O'dea advised too that deadlines are there to lend a framework to the process so everyone knows when it has to be done by and everyone is acting under the same framework. There was sufficient time, statutory time for folks to respond on the rules, fairness to put everyone on the same playing field.

Mike Peters inquired from Ms. O'dea if the timeframe that's gone by, as done by Lt. Doyle was within statutory framework? Ms. O'dea advised that it was.

Jean Deighan then advised that the Board would be adhering to the rules.

Lt. Doyle advised again that this was a very open public process, was posted on website and in paper. Lt. Doyle didn't receive comments from CasinosNo! until 5:00 p.m. on Friday, reiterating that the deadline was Thursday, October 7<sup>th</sup>.

Chairman McHale advised that we appreciated the comments and they will be on file.

Unanimous vote by the Board on the motion made above by Mike Peters.  
Will not be considering comments from CasinosNo!

Moving on, Lt. Doyle advised how he had set up comments and responses he had received on the Rules.

Commissioner Cantara inquired if the Board had examined comments and responses and that these will be the direction of the Board for future considerations.

Lt. Doyle advised the names of the attendees at the Public Hearing on 9/27/04 at 1:00 p.m., held at the DPS Building in Augusta, which included Eric Schippers and Steve Snyder from Penn Nat'l Gaming; Chris Howard, Attorney from Pierce Atwood; Barry Hobbins, Attorney from Hobbins & Gardner; Scott Milne, Sue Carletta and Sandra McKinley from IGT and George Pooler, resident of Bangor. GC Board members Larry Hall, Mike Peters and DPS Staff Lt. Doyle, Lt. Kelly and secretary, Kathy Chamberlain was present as well.

### **Chapter One of the Rule**

IGT indicated they would send written comments, which they did. They commented on the issue of Confidentiality and also requested that the Board consider adopting a regulation that would allow the Board to waive provisions of the regulations or requirements if the Board determines that such a waiver is appropriate. This type of provision gives the Board discretion to administratively grant or deny a request for a waiver based on the Board's analysis of the impact on gaming activity in the State.

Lt. Doyle advised them that we haven't considered that during this round, but the Department will be putting in a bill before the next session of Legislature.

### **Chapter One Motion**

Motion made to accept Chapter One Comments and Responses by Jean Deighan and seconded by Mike Peters. Unanimous Vote by the Board.

### **Chapter Two of the Rules**

## Chapter 2 Motion

Motion made to accept Chapter Two Comments and Responses by Mike Peters. Larry Hall seconded. Vote unanimous of the Board.

## **Chapter Three of the Rules**

**Section 6 Response:** Change made to include exemption for the testing of machines as necessary. Rule also clarified to add the Board to those prohibited from gaming. The Board Staff does include members of DPS assigned to gaming.

Discussion ensued about whether or not the language should include members of Board's family as well as Board members be prohibited from gaming. Jean Deighan made a statement that the Board's immediate family or Board Staff should not be gaming. Should be above all. Discussion again about the definition of immediate family i.e. minors vs adult children.

Larry Hall asked about undercover operations? It should be put in the rules to be clear that it would be ok to cover that activity.

Melissa O'dea advised that there would be nothing the Board itself could do about a Dept of Public Safety employee playing games, so it's important to make sure in DPS Policies and Rules that any employee doing so, will be dealt with. Board could not touch.

Commissioner Cantara advised that he will be recommending to the Executive Director and Colonel of the State Police that the Gambling Unit or DPS will not be allowed to do gaming. If employee violated that, will result in disciplinary action.

Lt. Doyle offered that that would also include members of the Board.

Jean Deighan advised that the standards have been raised by Penn National. Have required such stringent investigation, seems that we should be up for the same standard.

Chairman McHale advised that the Harness Racing Commission has issues with the same type of things.

Lt. Doyle advised that he had consulted with A.A.G. Laura Smith who agreed it should preclude the Board from playing, but asking adult children not to, is over-reaching.

Peter Danton advised that the Lottery Commission can't play in the lottery. Siblings can play, members cannot.

Larry Hall also advised that the issue is more about Board members, than it is about spouses. We don't have a right to ask spouses not to game.

Peter Danton advised that it should be Board members and staff members present, period who are prohibited from gaming.

Tim Doyle advised that the change to reflect that "immediate family" be prohibited was discussed, but not considered during the drafting period.

### Chapter 3 Motion

Peter Danton made the motion to accept the Comments and Responses to Chapter 3 with the addition or changes made to Section 6 as discussed above. Larry Hall seconded. Unanimous vote by the Board.

### **Chapter 4 of the Rules**

No changes to Comments or Responses.

### Chapter 4 Motion

Jean Deighan made a motion to accept Chapter 4. Mike Peters seconded. Unanimous vote by the Board.

### **Chapter 5 of the Rules: MICS**

Lt. Doyle reminded the Board that MICS stands for Minimum Internal Control Standards, bible by which facility operates, the procedures.

### Section II-C

Response: No change made. Future change will require additional policy discussion.

Discussion ensued about legalities of giving away free drinks, meals etc. by the facility. Identifying each time a patron is provided a free beverage or a meal? Covered in the law.

Lt. Doyle advised probably need another round of Rule-making after this process. Right now they have to report that to the Board on any comps (complimentary services). Couple other provisions that we need to go back to, that suggest future Rule-making. If we recommend significant changes, will have to have another public hearing.

Larry – should we address in the complimentary section next time around – free tickets, shows etc. being offered to Board members? (unable to accept)

Lt. Doyle advised that next time around, it would be put in the rules.

Commissioner Cantara advised that since Aug 30<sup>th</sup>, when the Board became established, they would fall under State employee status in terms of not accepting gifts or gratuities.

### Section III - K

No change made. Consistent with the intent of the Board. Wording will be changed to No change, consistent with the original intent of the Board.

### Chapter 5 Motion

Mike Peters made the motion to accept the Comments and Responses with the appropriate changes made to Section's II-C and III-K as listed above. Jean Deighan seconded. Unanimous vote by the Board to accept.

### **Chapter 6 of the Rules**

#### Chapter 6 Motion

Jean Deighan made the motion to accept Chapter 6. Seconded by Mike Peters. Unanimous vote by the Board.

### **Chapter 7 of the Rules**

### Chapter 7 Motion

Jean Deighan moved to accept and Mike Peters seconded. Unanimous vote.

### **Chapter 8 of the Rules**

#### Chapter 8 Motion

Jean Deighan move to accept Chapter 8 as is. Mike Peters seconded.  
Unanimous vote by the Board to accept.

### **Chapter 9 of the Rules**

Section 2: “Change” should be “changed.”

#### Chapter 9 Motion

Jean Deighan made motion to accept Chapter 9. Mike Peters seconded.  
Unanimous vote by the Board.

### **Chapters 10, 11 or 12**

No comments received on these chapters.

### **Chapter 13 of the Rules**

#### Chapter 13 Motion

Jean Deighan made motion, Mike Peters seconded. All in favor.

### **Chapter 14 of the Rules**

#### Chapter 14 Motion

Jean Deighan moved that they adopt changes made by Lt. Doyle. Mike Peters seconded. Unanimous vote by the Board.

### **Chapter 15 and 16 of the Rules**

No comments received on these chapters.



## **Chapter 17 of the Rules**

### **Chapter 17 Motion**

Jean Deighan moved to accept. Mike Peters seconded. All in favor.

## **Chapter 18 of the Rules**

### **Chapter 18 Motion**

Jean Deighan made motion to accept Chapter 18. Mike Peters seconded. Unanimous vote by the Board to accept Chapter 18.

## **Chapter 19, 20, 21, 22**

No comments were received on these chapters.

Lt. Doyle will make the changes as listed above and the Board will receive copies of original, text with strike through and then changed text for the 28<sup>th</sup> meeting.

1<sup>st</sup> order for Mr. Welch will be to address rules with Melissa O’dea i.e. Tournaments, hearing process etc.

Lt Doyle advised that each chapter needs to have basis statement in lay terms why we have to have the rule we have. Each chapter does have one. Board members do have copies.

Motion to adopt Chapter basis statements made by Jean Deighan, Mike Peters seconded. Unanimous vote by the Board to accept Basis statement.

## **IV – Office space**

Meeting today being held in the newly furnished conference room within the Gambling Control Unit.

## **VI – Update on RFP for Slot Machine Central Site Monitoring System**

Commissoner Cantara recommended and it was put in place, to have an Evaluation committee on the CSMS. Lt. Doyle has met with Dick Thompson, Info officer from the State of Maine, who will be chairman.

Lt. Kelly advised he had just come from the Bidder's Conference, which was held from 1-3 p.m. today. Had 5 companies represented, multiple people from each. Limited amount of questions asked. Deadline for submitting questions is 19<sup>th</sup> of Oct. Board has to respond by 29<sup>th</sup>. We will have them prepared for meeting on the 28<sup>th</sup>. Will be part of the Agenda on that day. Companies are ESSNET AB, Gtech, Scientific Games, IGT and Multimedia Games. All answers to all questions have to be sent to all prospective bidders.

Barry Hobbins from IGT addressed the Board: Asked to speak to the Board for the sole purpose for discussing issue of Confidentiality and reiterate request from IGT to have some sort of protections in place to ensure confidentiality of information. If IGT is chosen, would like to submit application under such considerations as Penn National received. That would mean submitting an application with the information left blank where they felt it was a Confidentiality issue until such time that we can get ruling changed by Legislature. Penn National asked for the same consideration. IGT would not distribute machines until such time that application was considered for full license. IGT would be prepared to file an application with fee, pending the same consideration that Penn was given.

Chairman McHale advised that he knew there was a discussion going on between the A.G.'s office and Penn Nat'l today. Some type of understanding reached, not known what. He knows that the Harness Racing Commission asked for two-week postponement instead of meeting with Penn Nat'l on the 14<sup>th</sup>. Working with Penn to see if they are available on the 26<sup>th</sup> to meet instead.

Jean Deighan advised that she knew that IGT was concerned with the same issues as Penn Nat'l in terms of Confidentiality.

Jean Deighan advised that if IGT were to complete a corporate application, they might be in violation of Federal security laws. Personal application - then concerned about identity theft. Balancing act that Board and public policy has to consider. Integrity a premiere. Some of the revisions as to what can be disclosed. If Board had some sort of discretion for a waiver, burden would be on applicant for submission.

Jean Deighan advised that the ultimate decision has to be made by Legislature.

Commissioner Cantara advised that he had spoken with reporter at Bangor Daily News today at break time, in regards to the issue that Legislature needs to help Board deal with Confidentiality issue.

Chairman McHale asked the Commissioner if there was some solicitation from Gov's office going to Legislature in January to rectify?

Commissioner Cantara advised that the DPS would bring bill to Legislature to bring in conformance with other states, not only with gambling industry but also for all possible businesses coming into Maine.

Mike Peters asked if the Board would possibly be granting IGT a conditional license?

A.A.G. Melissa O'dea advised that the Board would take temporary application, in each item that was left blank there would have to be a specific reason why that was left blank.

Chairman George McHale asked if there was a suitability investigation concurrent with both boards?

Lt. Doyle advised that that would be the Dept of Agriculture and Department of Public Safety. A.A.G. Laura Smith is working with Penn on Freedom of Access Act and LD 1820. Have to adopt Rules on 28<sup>th</sup>, to send on to A.G.'s Office and Secretary of State. Also to review Penn application. Board needs to know that is contingent on Penn having their meeting prior to the 28<sup>th</sup>.

Mike Peters asked in the case of Penn National, if Agriculture provides them with Confidentiality, it would have no bearing on IGT's application process.? Could we say to Mr. Hobbins to go ahead and submit application under this?

Jean Deighan made a motion that the Board accept potential operators or distributors equally, because Maine has difficulty with Confidentiality laws, any place where he, she or it, they can write the express reason down for leaving it blank and we entertain their application for a conditional license

until which time we can address the Confidentiality issue and issue a full license when the application can be fully filled out. Until final license, there will be no slot machine.

Mike Peters seconded motion. Unanimous vote by the Board.

Lt. Doyle advised that the application fee would be non-refundable, so IGT taking a chance to submit application.

Commissioner Cantara: An explanation as to why certain areas are left blank are meant to be for the Board, but also to the public we serve and to the Legislature who can make changes to LD 1820. Should be a teaching tool for all of us.

Peter Danton asked what guarantee do we have that Legislature will take care of this?

Maine does not confer with financial issues under the confidentiality law. Commissioner was asked to move forward with Dept bill to present to Legislature when they reconvene in January.

Next meeting is on Oct 28th at 12:30 p.m. at the DPS building. On the Agenda will be to adopt rules that were considered today, if background check for Executive Director is completed - offer permanent employment. Possibly a brief report on RFP Sub-committee on monitoring system, comments to RFP responded.

Lt. Doyle proposed that the Board not meet therefore on November 4<sup>th</sup>, but move to Nov 18<sup>th</sup>. Shooting for first Thurs of each month i.e. December 2<sup>nd</sup>.

Minutes from 9/27, 9/30 and 10/6 minutes approved? Unanimous vote by the Board. Minutes will be going on the website next week.

Meeting adjourned at 3:35 p.m.

Respectfully submitted,  
Kathy Chamberlain, Secretary  
Gambling Control Unit

